

MLN Matters Number: MM4261

Related Change Request (CR) #: 4261

Related CR Release Date: February 2, 2006

Effective Date: July 1, 2006

Related CR Transmittal #: R831CP

Implementation Date: July 3, 2006

Shared Systems Medicare Secondary Payer (MSP) Balancing Edit and Administrative Simplification Compliance Act (ASCA) Enforcement Update

Note: This article was revised to contain web addresses that conform to the new CMS web site and to show they are now MLN Matters articles. All other information remains the same.

Provider Types Affected

Physicians, suppliers and providers billing MSP claims to Medicare carriers, fiscal intermediaries (FI), durable medical equipment regional carriers (DMERCs) and regional home health intermediaries (RHHIs)

Key Points for Providers

CR4261 makes two key changes to Medicare claims processing as follows:

- First, CR4261 states that inbound MSP claims will be rejected if the paid amounts and the adjusted amounts paid by the primary payer do not equal the billed amounts at the line level and if the claim lacks standard claim adjustment reason codes to identify adjustments performed.

While Medicare may be able to handle such a discrepancy because it does not always use this information, it may pass such claims to other payers. Such other payers may then reject the claims because they do not comply with the 837 version 4010A1 institutional and professional implementation guides. As a result, Medicare will not accept such claims in order to be fully compliant with HIPAA.

- Second, if a provider's paper claims have been denied due to ASCA electronic claims provision enforcement by Medicare contractors (carriers, FIs, RHHIs, and DMERCs), the provider may resubmit the paper claims if they submit appropriate documentation that establishes that they meet the criteria for submitting paper claims.

Providers have until the 91st day after the initial ASCA letter to submit documentation that proves eligibility for submission of paper claims. If a

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provider establishes eligibility later than the 91st day of the initial enforcement letter and then resubmits paper claims, payment will be denied for dates of service between the 91st day and the effective date for submission of claims.

Implementation

The implementation date for the instruction is July 3, 2006

Additional Information

For details of enforcement of the ASCA, please see related MLN Matters article MM3440, "Administrative Simplification Compliance Act (ASCA) Enforcement of Mandatory Electronic Submission of Medicare Claims," at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3440.pdf> on the CMS web site.

The official instruction on this change, CR4261, may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R831CP.pdf> on the CMS web site.

If you have questions, please contact your carrier/intermediary/DMERC at their toll-free number which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.pdf> on the CMS web site.

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